WORDLY WISE

AT THAT SPEED, YOU ARE AT THE LIMIT OF YOUR DECISION-MAKING.

— Greg Chappel

The Indian EXPRESS

∽ FOUNDED BY ∽ RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

The only mantra

Policy must pray to one god — formal jobs



Manish Sabharwal

CONTINUITY & CHANGE Neighbourhood first remains India's foreign policy priority,

but the emphasis has shifted from SAARC to BIMSTEC

S PRIME MINISTER Narendra Modi begins his second innings in diplomacy this week with a visit to Maldives and Sri Lanka, his foreign minister Subrahmanyam Jaishankar has chosen Bhutan as his first foreign destina-Lacktion. If Modi brings a bigger political mandate and loads of self-assurance to

India's international relations in his second stint, Jaishankar's impressive diplomatic skill promises to turn PM's political will into concrete outcomes for India. That Jaishankar served three years as foreign secretary during Modi's first term and enjoys PM's trust and confidence means Delhi now has a formidable team to direct Indian diplomacy. In his first public remarks as foreign minister a day before he left for Thimphu, Jaishankar gave a preview of where India's foreign policy might be headed. There are elements of continuity as well as prospects for significant change.

Jaishankar has signalled that he will continue to sustain the legacy of his predecessor, Sushma Swaraj, in putting the welfare of Indians abroad at the very top of the Foreign Office's agenda. Over the last few years, Swaraj has transformed the relationship between Indian missions abroad and the common man. If the embassies and consulates were once seen as aloof and unhelpful, they are today viewed as the first resort for distressed Indians in distant lands. Continuity is also visible in Jaishankar's renewed emphasis on "neighbourhood first". But there is no mistaking that the expansion of the geographic scope of what Delhi means by neighbourhood. Jaishankar confirmed that the invitation to the leaders of a Bay of Bengal forum for prime minister's inauguration is a shift away from a narrowly defined South Asia with its multitude of structural problems. The BIMSTEC is replacing SAARC as the primary forum for India's regionalism. Delhi's interest in the Bay of Bengal and the PM's enduring focus on Indian Ocean island states underlines the emerging mar-

itime dimension of India's neighbourhood policy.

Modi's diplomacy has every reason to bask in the massive support for an assertive foreign policy seen during the elections. But no country, however powerful, can control all the external variables shaping the foreign policy environment. Jaishankar's remarks show that Delhi is acutely conscious that international landscape for Indian diplomacy is no longer predictable; nor is it benign. Delhi, according to Jaishankar, will not be daunted by the new strains in the global economic order and the new Cold War between the US and China. If South Block's default bias is to hide behind slogans of non-alignment and "strategic autonomy", the new team is confident that Delhi can secure India's interests in this complex environment. The new boldness on "what" India wants to do in the world during Modi's second term is now matched by "how" it wants to do it. Jaishankar has underlined the importance of overcoming weaknesses like project implementation in other countries, preventing bureaucratisation of the relations with neighbours, and improving inter-ministerial coordination.

SLIPPERY SLOPE

NBFC crisis could accentuate contagion risk in financial sector. Cabinet committee on investment and growth must address it

HE WOES OF non-banking finance companies and housing finance companies continue to reverberate through the financial system. A few days ago, Dewan Housing Finance Corporation defaulted on its interest obligations. Its short-term rating has been cut to default. Financial conditions have worsened with spreads of NBFC bonds rising significantly in the recent past. At one level, the argument can be made that lenders are re-evaluating their risk. That the market is discriminating between the better rated NBFCs and those whose balance sheets appear problematic. And, that an intervention at this stage will create problems of moral hazard. But, there is genuine concern that the DHFL default can "accentuate contagion risk in the financial sector", as noted by the investment house CLSA in a note. This needs to be addressed.

A possible solution is for the RBI to open a special borrowing window to provide liquidity to NBFCs/HFCs. As was done during the financial crisis of 2008, the central bank, under sections 17 and 18 of the RBI act, can provide short term liquidity to NBFCs, till financial conditions normalise. But, the RBI doesn't seem inclined towards this route, presumably because it will be difficult to differentiate between NBFCs. It could also nudge banks to increase their lending to NBFCs. To this effect, it has already eased norms for maintaining risk weights on bank lending to NBFCs. Further easing of systemic liquidity could boost flows to NBFCs. The question is will risk-averse banks lend? Part of the problem is that the difficulty in differentiating between illiquid NBFCs from those that are insolvent. To address this, some have advocated for an asset quality review to reveal the true state of NBFCs' books. While this will address issues of information asymmetry, such a move may end up prolonging the crisis. Perhaps, the RBI could identify systemically important NBFCs and backstop them through banks.

But the larger issue of resolution of financial firms remains. Situations such as the current one warrant swift resolution so that problems remain contained. Perhaps, the newly formed cabinet committee on investment and growth could contemplate bringing back the FRDI bill, with modifications to address contentious issues like the bail-in clause and deposit insurance.

FAST AND FURIOUS

The bouncer is the surprise weapon in this World Cup

T BEFITTED THE fast-bowling legacy of Joel Garner and Malcolm Marshall that an English cricketer of Barbadian descent, Jofra Archer, whipped up the short-ball revolution in this World Cup in the opening match against South Africa. Short-balls have caught unsuspecting batsmen unawares this World Cup. There was little foreboding of such an exigency. After all, they had stepped into the English summer with the promise of truckloads of runs, given how the de-venomed surfaces have behaved of late. No other grounds in the world had seen such a frequent incidence of 300s and 400s – England managed 481 against Australia last year in Nottingham — in the last five years. But bowlers, armed with the daring, muscle and ruthlessness to bang the ball short, unencumbered to see batsmen writhing in pain or quivering in fear, have ensured that those runs that are to be made are tough, sweat-soaked runs.

If a Barbadian can, so can their continental cousins from Jamaica, the land of Michael Holding, Courtney Walsh and arguably the most brutish exponent of the short-ball, Patrick Patterson. None of their successors — Andre Russell, Oshane Thomas and Sheldon Cottrell carry that ring of raw intimidation, but they've shown they can be as hostile as their vaunted predecessors with the short-ball, as the Pakistan batsmen were subjected to. So was Australia's top-order, which was perhaps a better denominator of short-pitch bowling's value. Bred as they are on hard Australian surfaces, they're supposed to cope.

Not that the worth of a short-ball needed spotlighting. In fact, it's not a mere delivery, it's a statement. The most macho, unsubtle statement of intent in the game. And as the World Cup rolls on, the winner could be not only the one that can dish out the most sustained spell of high-class short-pitch bowling, but the one that can also handle it most efficiently too.

THE BHAGWAD GITA has important advice for policy entrepreneurs: "What lies between us and our greatest goals are not obstacles, but clearer paths to lesser goals." Jobs are a lesser goal than wages. India's problem is not unemployment — this has bounced in the low and narrow range of 4-7 per cent for 50 years — but employed poverty. Our traditional labour market shock absorbers — farm employment and self-employment – are dying because kids born after 1991 are unaccepting of self-exploitation and recognise the wage premiums, identity, dignity, soft skills, apprenticeship effect, and financial inclusion of formal jobs. I'd like to make the case that policy should pray to one god — formal jobs. And since goals decide strategy, our focus areas become clear.

India's 6.3 crore enterprises only convert to 12 lakh GST registrants, 10 lakh provident fund payers, and 19,500 companies with a paid up capital of Rs 10 crore or more because of our regulatory cholesterol — 58,000-plus compliances, 3000-plus filing, and 5000-plus changes every year. We need massive easeof-doing business that rationalises (cuts down ministries, compliances, and filings), simplifies (adopts a universal enterprise number and one labour code) and digitises (adopts a paperless, presenceless and cashless process for all employer compliance by shifting from uploads to websites to an API architecture with straight-through-processing). All jobs change lives in ways that no subsidy can but formal jobs in formal enterprises have many externalities.

India's labour laws have an insane reverse payroll wedge – employers are forced to deduct 40 per cent-plus of gross wages from chithi waali salary (gross wages) for employees with monthly wages up to Rs 25,000. Yet, haath waali salary (net wages) are only 9 per cent lower for employees with monthly wages above Rs 25,000. This wedge murders formalisation and confiscates property from the poor; all wages belong to employees in a cost-to-company world. Fixing this wedge needs competition; EPFO is the world's most expensive government securities mutual fund (300-plus basis points for administration fees) and Employees' State Insurance

(ESI) is the world's most expensive health insurance programme (less than 50 per cent of contributions are paid out as benefits). The reform agenda is clear — employee contribution must be made optional, employees must choose who handles their employer contributions, and social security programme fees must be capped to their costs. One driver of 20 million new social security payers has been the Pradhan Mantri Rojgar Protsahan Yojna this partial reimbursement to employers for incremental low-wage employees has incentivised social security enrolment, is easy to verify, and hard to fudge and should be extended for a fixed period of three years. Our skill development system faces the

difficult trinity of cost, quality and quantity combining with challenging changes to the world of education. In a world where Google knows everything, knowing is not as important as lifelong learning and hard skills become a necessary but not sufficient condition for the wage premium. Apprenticeships are the future of learning, yet India only has 5 lakh apprentices instead of 1.5 crore (if we use Germany's number of 2.7 per cent of the labour force). Changes could include merging the two central government initiatives, Regional Directorates Of Apprenticeship Training (RDAT) and Board of Apprentice Training (BOAT), operate effective online matching platforms and reinforcing the regulatory legitimacy of apprenticeships as classrooms to overcome the trust deficit with employers. Most importantly, we must enable degree-linked apprentices (skill universities await clearance for linking apprentices to degrees via distance and online delivery).

There must also be a focus on financialisation reform and sustainable competition. Fairly-priced capital catalyses formalisation, yet India's credit to GDP ratio is 50 per cent (rich countries are at 100 per cent). Sadly, Arunachal Pradesh is at one per cent and Bihar is 17 per cent. Lowering our cost of money has begun but sustainably targeting a higher credit to GDP ratio needs more bank licences, fixing the governance at nationalised banks, blunting the asset liability mismatch at NBFCs (some irrationally funded 30 per cent of their balance sheet with commercial pa-

per) and restoring the sanctity of the 270-day IBC bankruptcy deadline. More Indian enterprises need formal financial credit — capital investment and working capital availability drive productivity – without replicating the rash lending between 2008 and 2014 that gave us Rs 14 lakh crore worth of bad loans. Sustainably expanding credit at reasonable prices without stealing from our grandchildren needs thoughtfully-crafted competition.

India can't be ruled from Delhi. China building infrastructure and moving 400 million people off farms wasn't the child of Beijing but 200 mayors competing for investment. While there may be something such as India's capital market, land and labour markets are local. A hundred mayors and 29 chief ministers matter more than one prime minister for job creation. We should consider making labour a state subject and must continue the decentralisation of funds, functions and functionaries to states while simultaneously creating accountability, capabilities and resources in city governance. We can't take jobs to people and need to take people to jobs but the governance deficit of cities is blunting migration.

Jawaharlal Nehru wrote in Discovery of *India* that "India is a geographical and economic entity, a cultural entity amidst diversity, a bundle of contradictions held together by invisible threads. She is a myth and an idea a dream and a vision, and yet very real and present and pervasive". He is one of many reasons that Pakistan and India, born on the same night, have had very different destinies (the GDP of Pakistan is now less than Maharashtra). But I'm sure that after reviewing decades of evidence, Nehru would acknowledge that the nutty economics of the 1955 Congress Avadi resolution and slogans posing as policy like Garibi Hatao kept many Indians in employed poverty.

The 67 per cent-plus turnout in our recent election not only reflect the invisible threads that hold India together but capture an aspiration that breaks with India's economic past This dua needs policy to pray to the one god of formal jobs.

The writer is with Teamlease Services

WE GOT TRUMPED

India can't be ruled from

infrastructure and moving

wasn't the child of Beijing

but 200 mayors competing

for investment. While there

may be something such as

India's capital market, land

A hundred mayors and 29

chief ministers matter more

than one prime minister for

job creation.

and labour markets are local.

400 million people off farms

Delhi. China building

US president has exploited the discord between nations to his country's advantage

Aligned with Trump, the Arabs do not mind

that the US has approved Israel's move to shift

its capital from Tel Aviv to Jerusalem — all this

while the Palestinians are being thrashed by

world — deserves Trump. Muslims are fight-

ing each other in the states they inhabit even

The world — perhaps only the Islamic

KHALED AHMED

THERE ARE MORE countries than ever before who hate America today under President Donald Trump. He has alienated Europe on NATO and the rest of the world doesn't know which side he is on. He is against China and some argue that he should also be against Russia to retain a foothold within a scared European Union. Because the main enemy is China, Trump favours India, the rising economic power in the world. He has taken on Iran and finds it easy because Iran is pitted against "fellow-Muslim" Arabs across the Gulf.

Trump wants Iran choked. He wants the world to not buy its oil. American sanctions were in place from way back but exemptions were made for eight importers of Iranian oil that included India and China. Some of the "exemptees" have quickly "adjusted" by stopping their imports while the others are in the process of kowtowing to Trump. He asked India to comply — the help rendered by the US on the Masood Azhar issue was Trump's bargaining chip — and India has submitted, forgoing its deserved status of the big nation of the region. Next, Trump wants to squeeze India on trade.

If the Saudis are happy that they have got Trump to squeeze Iran, they will soon realise that the US president is not so kind. He will demand that Saudi Arabia and the UAE go back to producing more oil to make up for the shortfall that will be caused by the sanctions on Iran. The Saudis were putting a lid on oil production to prevent it from going cheap.

as these states take on each other — Iran and the crumbling states next door like Iraq and Syria are good examples. The Arabs triggered a new inferno by staging the Arab Spring of 2011. The Spring started going wrong from day one and the toppling of the Muslim dictators didn't lead to the halcyon days of democracy but more trouble, except, perhaps, in Tunisia — even though its youth formed

the Israeli army.

Trump doesn't mind General Sisi ruling Egypt, the most populous Arab state. Egypt has just passed a constitutional amendment after a referendum on April 22, advancing President Sisi's one-man rule. After all, his dictatorship was ushered in by millions of Egyptians demonstrating against the oppressive but elected government of President Muhammad Morsi of the Muslim Brotherhood that was beginning to go after the large minority of Coptic Christians in the country.

the largest number of IS warriors in Iraq-Syria.

The Economist reflected thus on why the Muslims can't live with democracy: "Secular Arabs and their friends in the West now argue that because Islamists tend to regard their rule as God-given, they will never accept that a proper democracy must include checks, including independent courts, a free press, devolved powers and a pluralistic constitution to protect minorities.'

Pakistan Prime Minister Imran Khan, after promising the "State of Medina" to Pakistanis, is trying to mend fences with India — the neighbour Pakistan has bothered over the years with its revisionism on Kashmir and by using non-state actors for crossborder terrorism. Since Pakistan had used this strategy against Afghanistan as well, Khan has his task cut out. He has gone to Iran saying he is going to stop the cross-border attacks against it. (One Iranian Baloch terrorist called Abdolmalek Rigi entered Pakistan and was educated in madrasa Jamia Banuria in Karachi, the alma mater of Masood Azhar. His outfit then killed Iranians inside Iran.)

Pakistan is trying to get out of the mess it got into by fighting the Soviets in Afghanistan and bringing hard Islam upon itself. Imran Khan can't do it without adopting the rhetoric of the Islamists that brought down the Arab Spring. India is better placed to face up to the vagaries of Trumpism but it has unfortunately lifted the lid off its own "religious revival" negating its pluralist past. Pakistan has suffered at the hands of religion. Will India have to take a long route to normalcy before peace prevails in South Asia, Trump or no Trump?

> The writer is consulting editor. Newsweek Pakistan

JUNE 8, 1979, FORTY YEARS AGO

BHASKARA LAUNCHED INDIA'S SECOND SATELLITE — Bhaskara was hurled into space at 4 pm from a Soviet cosmodrome. The satellite, named after the ancient Indian astronomer, is functioning normally, according to telemetry data received at ground stations in Sriharikota, Ahmedabad and Bangalore in India and Bears Lake, near Moscow, shortly after the successful launching. The 444-kg experimental satellite, designed and built ISRO contains sophisticated instruments for carrying out remote-sensing experiments over India using TV camera and microwave radiometers. The launching of Bhaskara has been hailed by Indian and Soviet leaders as an-

The world — perhaps only

deserves Trump. Muslims

states they inhabit even as

door like Iraq and Syria are

these states take on each

other — Iran and the

crumbling states next

good examples.

are fighting each other in the

the Islamic world —

other important milestone in Indo-USSR cooperation in space research.

NO SECOND APPEAL RESPONDING TO THE prime minister's letter to the chief justice of India on the arrears of court cases running into hundreds of thousands, the judiciary has come out with the specific suggestion that there should be only one appeal in any suit or proceeding. The letter, written before the recent chief justices' conference, said: "The number of appeals should be reduced to the minimum and the hearings should be so regulated that adjournments are cut down as much as possible."

FARMERS' LOBBY WINS THE HUNDRED-DAY-OLD Banarasi Das ministry managed to survive today in the Uttar Pradesh Vidhan Sabha by surrendering to the farmers' lobby, which threatened to vote it down on the demands for grant of the transport ministry if the tractor-trolly tax was not abolished. For 45 minutes, the fate of the ministry hung in the balance as it faced certain defeat with the farmers' lobby, constituted mostly of the BLD members, refusing to pass the demands. In the absence of Das Rama Shankar Kaushik, minister for health and excise, and Madhukar Dighe, minister for finance and parliamentary affairs, tried to quell the revolt.

— THE WASHINGTON POST

13 THE IDEAS PAGE

Welfare policy and Modi 2.0

Welfare in Modi's first term was about grand announcements and ambitious targets. The real challenge of building a high quality 21st century welfare state awaits



YAMINI AIYAR

HOUSING, SANITATION, GAS connections (Ujjwala), direct benefit transfers (DBT), income support (PM-Kisan) — contrary to early indications, the Narendra Modi government's first term proved to be far more welfarist than was expected of a government that campaigned on the slogan of minimum government. With the benefit of hindsight, many pundits now argue that it is this medley of schemes that convinced voters to give the Modi government a resounding encore. Regardless of the many mysteries of the Indian voter, there is no argument that these schemes will remain the hallmark of Modi

In their implementation, these schemes had all the ingredients of Modi's political style – grand announcements, ambitious targets, tight centralised monitoring and outreach — resulting in an accelerated pace of activity. But they also brought to the fore deeply contested questions about the architecture of the welfare state, its functions and capability. The effectiveness of welfare policy under Modi 2.0 will rest on how it navigates this terrain and its willingness to invest in building state capacity.

First, on the relationship between technology, income support and bureaucracy. Technology lay at the heart of the Modi 1.0 welfare project. Early in its tenure, the government embraced Aadhaar and DBT with gusto. And in its last few months, it began the transition to basic income support through PM-Kisan. Underlying this approach is the assumption that technology can substitute for an incompetent and corrupt welfare bureaucracy. Moving money directly to beneficiary accounts removes bureaucratic layers and tightens monitoring, thus improving efficiency and curbing corruption.

But recent studies show that rather than reducing bureaucracy, getting the DBT architecture right requires significant bureaucratic intervention. From opening accounts to promoting financial literacy and facilitating bank transactions, local bureaucrats are critical to

Importantly, targeted programmes like PM-Kisan require bureaucrats to identify eligible beneficiaries. To do this, critical data like land records and socio-economic caste census needs to be regularly updated and disputes between claims of citizens and official records should be negotiated.

Getting the DBT architecture right, as I have argued in joint work with economists Shrayana Bhattacharya and Lant Pritchett, requires bureaucrats to engage citizens and coordinate across departments — a skill that Indian bureaucrats simply do not posses.

Countries like Brazil and Mexico have invested in large cadres of social workers at the local government level to do just this. But in the rush to bypass bureaucrats through DBT and transfer cash directly into bank accounts, this crucial investment has been ignored. The success of welfare programmes in Modi 2.0 will depend on willingness to recognise that building a competent welfare bureaucracy, even if its only task is to move money, will require empowering local governments with skills and resources.

But responsive governments require active citizen participation. Digitised efficiency risks casting citizens as passive recipients of government largesse rather than active



C R Sasikumar

claimants of rights. This is not romantic activism. Technology, by its very nature, creates centralised systems that are distanced and bewildering for ordinary citizens in ways not different to the frustrating everyday encounters readers of this newspaper have with call center agents.

Digitised welfare systems genuinely risk closing off spaces for citizens to complain, protest and demand accountability when rights are denied. The centralised, tightlymonitored push for meeting targets adds to this challenge. Consider the many documented instances of using coercive threats (cutting ration and electricity) to meet Swachh Bharat goals. This is not to argue against administrative efficiency, rather to highlight risks that need resolution. A balance needs to be struck between efficiency gains through centralised control and responsiveness through decentralised, citizen-centric governance. Striking this balance will be a critical challenge for Modi 2.0.

Second, with Ayushman Bharat, Modi 1.0 took a significant step towards engineering an architectural shift in India's welfare system, away from direct provisioning (government running hospitals and schools) towards financing citizens (through income support and health insurance) and regulating private providers. But can a state that struggles with routine tasks regulate a sector as complex as healthcare? Consider this. In the United States, medicare employs 6,000 staff to cover 44 million beneficiaries who handle insurance audits, pricing, and anti-trust cases.

The staffing requirement, at equivalent levels in Uttar Pradesh alone, would amount to 10,000 employees. Importantly, in a sector like health where predatory practices are rife, wellfunctioning government hospitals are a necessary check and balance. Regulation cannot be a substitute for investing in public systems. Ayushman Bharat must be complemented with a concerted focus on strengthening public hospitals.

Third, on Centre-state relations in welfare policy, rationalising the 400-plus central government welfare schemes and restoring them to their rightful place — states — re-

mains an important unfulfilled promise of Modi 1.0. This multiplicity of central schemes has served to entrench a silo-driven, onesize-fits-all approach that is inefficient as it fails to capture state-specific needs. The proposed expansion of PM Kisan and the possible transition to a quasi-universal basic income make the need to rationalise existing schemes, and address overlaps and complementarities with existing schemes like MGNREGA, even more pressing.

But, sensible rationalisation needs a coherent framework. The World Bank's social protection analysis calls for developing a national social protection strategy with a core basket of schemes that states can adapt to their needs. Greater flexibility to states was also recommended by the Niti Aayog's chief ministers sub committee report in 2016. Implementing these recommendations will require a radical shift in the role of the central government away from designing and controlling schemes to strategic thinking and supporting states. There are obvious trade-offs with administrative efficiency from centralised schemes that will need to be negotiated. Can Modi 2.0 fulfill the long-awaited promise of cooperative federalism?

Finally, no government can afford to ignore India's learning crisis. Yet this was one of the most under-prioritised areas in Modi 1.0's welfare agenda. The newly-released national education policy emphasises the urgent need to ensure all students achieve foundational literacy and numeracy. This needs to be adopted and implemented in mission mode.

Welfare in Modi's first term was about grand announcements and ambitious targets. But the difficult task of building a high quality, 21stcentury welfare state awaits Modi 2.0. India doesn't need new schemes, rather it needs consolidation and balancing between competing welfare strategies. Getting this right will require significant investments in state capacity. This is the welfare challenge for Modi 2.0.

The writer is president and CEO, Centre for Policy Research

AAKASH JOSHI majoritarian politics at its core democratic?

prism of demographics".

But democracy is not just about who wins an election. It is, equally, about the sort of public those that seek to rule create, on the road to power.

There is, of course, an intrinsic (even necessary) connection between majoritarianism and democracy — both are based in the ultimate analysis on the legitimacy that winning an election provides. Yet, there is or ought to be — something more to democratic politics than merely the logic of electoralism. And there certainly is more to Hindutva than winning elections.

Among the Hindu nationalist organisations that emerged in the 1920s, the RSS and its offshoots today hold the greatest sway. The core of the RSS remains, by and large, aloof from electoral politics and like the other ideologically-driven movement that emerged in India in 1925 — the communists — there is a purity of purpose associated with this distance from power. The idea of the Hindu Rashtra is more than just that of a "Hindu vote-bank". It is a conception of history, nationhood and citizenship that is the antithesis of Sherlock Holmes' famous dictum — it twists facts to suit theory, rather than theory being determined by facts.

There is, for example, no doubt that the

the ideology Elections are only a means to an



IS THE CULTURAL nationalism espoused by those that follow the ideologies of V D Savarkar and M S Golwalkar one that has an essential connection to democracy? Or, to ask the more fundamental question, is

WHAT THE OTHERS SAY

than tweet."

"If Trump wants to stop the latest Syrian butchery, he will have to do more

Election isn't

end for the RSS's millennial project

In his article 'Election is the ideology' (IE, May 28), Vinay Sitapati makes a compelling case to answer these questions in the affirmative. Hindu nationalism, he argues, emerges around the same time as the British colonial government first began to provide limited franchise to Indians (with the Government of India Act of 1919), and given that India is a society "composed of groups with identities" rather than one of "individuals with interests", "the logic of democracy began to be seen through the

RSS and its subsidiaries have worked tirelessly over the last century to create a Hindu nation from an assortment of castes and tribes. Yet, is the ultimate aim of the Hindu Rashtra merely a vote-bank that encompasses all Indians other than Muslims and Christians? Unlike the Congress, or various other political formations, power is not an end in itself for the Sangh — it is the means to propagate and further a particular kind of

society, where individuals are both products of and vehicles for "cultural nationalism". Organisationally and ideologically, the

separation between the RSS and BJP is telling. The latter has, on the one hand, as Sitapati puts it, "catered to Hindu castes microscopically while painting the Muslim as the broad brushed 'Other'" and on the other, its discourse has become increasingly intolerant — think "Congress mukt Bharat", "urban naxal" and, of course, "antinational". The ideological core of the Sangh, though, has behaved differently since its political wing attained a majority in the Lok Sabha. Take for example Sarsangchalak Mohan Bhagwat's statement ahead of the Bihar elections in 2015, calling for a review of reservations at a time when the BIP was doing its best to build alliances across castes. Or the invitation to and then the celebration of former President and Congress stalwart Pranab Mukherjee's address at a flamboyant RSS function in Nagpur by the top leadership of the Sangh.

Another clear sign of the priorities of the RSS is its disproportionate engagement with the Marxist-Leninist left. Electorally, the communist parties are hardly a challenge to the BJP, except perhaps in Kerala. Yet, academics, universities and intellectuals who are often barely a light shade of pink are accused of being anti-state actors, or alienated from "Bharatiya culture" and holding a "fascistic and dogmatic worldview" ('Most intolerant of them all' by Manmohan Vaidya, IE, June 26, 2018). The explanation for this obsession with what is now a minor political force is not, cannot be, electoral. It comes from the desire for a hegemony that is also intellectual, social and cultural.

With political power, this road to dominance is far smoother. It can be done through re-writing textbooks or through pliant vice chancellors. It can use the media, and it can use cinema. It can make freedom fighters of collaborators, patriots of assassins, rewrite history, science and geography, even medicine. But not all it does is with the next election in mind. The project has a timeline that goes far beyond the half-decade cycle.

None of this is to say that the Hindu right is in any sense aloof from political power, or that the Sangh has not been united on the ground in creating arguably the most successful contemporary election-winning machine. But to state that two decisive Lok Sabha wins have completed the millennial project, that "the Hindu Rashtra is here" is premature. That project will continue to fight for dominance in the realm of ideas, food habits, literature, economics, cinema and all the myriad ways in which "cultural nationalism" can be imagined. Equally, for those that wish to oppose such total hegemony, the resistance cannot be limited merely to elections.

aakash.joshi@expressindia.com

LETTERS TO THE EDITOR

ASSUMING WEAKNESS

THIS REFERS TO the editorial. 'A Ticket to Ride' (IE, June 5). A scheme that subsidises women in public transport is antithetical to the idea of gender equality. Any special reservation or subsidy for a target group implies that such a group is weaker than the rest. Gender inequality rests on the notion that women are weaker and a subsidy would inevitably endorse such a belief instead of jettisoning it. It is only by erasing the assumption of inequality that true equality can be achieved.

Ahona Chakrabarty, Kolkata

RAJNATH OMITTED

THIS REFERS TO the report, 'All in a d'y's work: Morning order omits Rajnath from key panels, he is in by night' (IE, June 7). It was wrong of the government to notify Home Minister Amit Shah in all eight cabinet committees (CC) and Defence Minister Rajnath Singh in only two CCs. An impression has been created that Shah is in a dominant position. It is not clear what prompted the PM to shift Singh from the position of home minister he held in the earlier cabinet. Singh is far more senior than Shah.

M C Joshi, Lucknow

OPPOSITION NEEDED

THIS REFERS TO the article, 'Lessons from the verdict' (IE, June 7). Given the indifferent state of the economy and the record level of unemployment, the 300plus seats won by the BJP cannot be based on the performance of the government during 2014-2019 but entirely on the hopes the electorate has for the coming five years. A disjointed and lacklustre Opposition will not be able to hold the government to account. A stronger Opposition is needed.

R Narayanan, Navi Mumbai

LETTER OF THE WEEK

VALUE OF ENGLISH

THIS REFERS TO the editorial 'Tongue twisted' (IE, June 4). English has played an important role in globalisation. The exhortation to promote languages other than English at the work place is regressive. The government should understand that English is also a skill to keep people and firms afloat in the global market. In India most quality science books and newspapers are available in English. Attempts to devalue English language in India could disconnect the country's youth from the rest

of the world. **Amiyavrat Kumar,** Navi Mumbai

ARTS AND SCIENCE THIS REFERS TO the article. 'An invi-

tation to the liberal arts' (IE, June 7). The recent trend in education system of India shows that we are still driven by the traditional ambition of producing doctors and engineers. The subjects with social and political importance and politics have become a tool for securing good marks up to class 10 and are forgotten thereafter. The prestige associated with the" "science stre"m" is because it's scope is vast and a science student can at any time pursue the subjects of her choice. This is not the case for humanities or commerce students. This problem needs to be addressed so that students can follow their aptitude and aspiration, not just "follow the stream".

Piyush Verma, Delhi

It's politics, stupid

There has been no incentive to push labour-intensive industrialisation in India

Countries like Brazil and

Mexico have invested in large

cadres of social workers at the

local government level to do

bypass bureaucrats through

directly into bank accounts,

this crucial investment has

been ignored. The success of

welfare programmes in Modi

2.0 will depend on willingness

to recognise that building a

bureaucracy, even if its only

task is to move money, will

require empowering local

competent welfare

governments with

skills and resources.

just this. But in the rush to

DBT and transfer cash

DHANMANJIRI SATHE

THE INDIAN ELECTORATE has spoken and spoken clearly. The BJP, with Narendra Modi as the prime minister, will be at the helm of affairs for the next five years. The economic issues facing the new government have been discussed at length. One such chronic problem has been unemployment.

Pervasive unemployment is a result of long-term policy focus on capital and skill intensive industrialisation. Even after the economy was opened up in 1991, the policy focus did not shift towards labour-intensive industrialisation. This should have happened as India is a labour abundant economy. But industrialisation policy, de facto, continued to prefer capital and skill intensive industrialisation, keeping the employment generation low. Why has the employment question been

The first possible reason could be that the voters do not exert enough pressure on political parties in asking for jobs. In the more recent elections, the focus has been increasingly on corruption in high places and what kind of "social security" the party will give to the people if elected. Also, the electoral discourse is animated by announcements with

respect to distributing free consumables like

rice, clothes and even laptops.

The voters have privileged non-economic factors (like caste, dignity, religion, nationalism, etc) over economic factors like joblessness. After all, in a democracy, the parties will dish out what the voters want and hence the disregard for employment issues.

Middle castes have waged agitations for employment, but they have been for government jobs. There are hardly any agitations by the poor for any kind of jobs. This is possibly because the poor are not able to organise themselves and do not see unemployment as a systemic problem. This is very much different from what happens in democratic, developed economies where unemployment is the first issue discussed at the time of elections.

The BJP under Modi did try to make unemployment an issue in the 2014 elections. But in 2019, the party concentrated mainly on non-economic issues including nationalism and Hindutva. The Congress, especially its leader Rahul Gandhi, spoke about joblessness to a certain extent. But they got a

pitiable response in terms of votes. The second possible reason seems to be the lack of state capacity. With the the first

Five Year Plan (1951), the Indian state showed tremendous capacity to take forward capital-intensive industrialisation. The state's capacity in terms of raising resources, working out a broad vision and its capability to implement it, was high till 1966. This becomes apparent in the success of the Green Revolution. But since the 1970s, the state seems to have lost the power to mobilise resources and ideas.

Assuming that the Indian state does actually want to move in the direction of labourintensive industrialisation, what are the ideas that have come up? Hardly any. The previous Modi government had floated the policy of "Make in India". But a look at the 25 sectors selected as focus areas in this policy shows that only three or four are labour-intensive (like leather, construction, textiles and garments). In the export policy that was announced, the focus seems to be more on FDI in defence industries, which would be capital and skill intensive. There is not even a slight movement in India towards anything resembling the "township and village enterprises" like China.

Another important factor that may have contributed favourably towards capital and

skill intensive industrialisation could be the potential for rent-extraction from the big companies that inhabit this domain. Indian elections have been increasingly mired by the humongous use of money power. Most of the money used is unaccounted for. Big companies are capable of generating huge amounts of "black" money, which are then given to the political parties. A politician is prone to ask in any endeavour, "What's in it for me?" In a capital-intensive project, he can get back "lots". He does not get back much from a labour-intensive project as the investment required, by definition, is comparatively quite small. This could be a reason for massive projects being sanctioned over the last few decades.

So, in India, where there is hardly any electoral pressure to change policy in favour of employment-oriented policies, the tendency is to favour capital-intensive industries. Unless the voters themselves put intense pressure on the government to create jobs, there is hardly any likelihood of the policies changing.

> The writer is professor of economics at Savitribai Phule Pune University, Pune